

SHRI ARANGIL SHREEDHARAN: In 1989-90, the total quantity exported was 24,328 tonnes.

DR. ASIM BALA: You let me know in terms of rupees.

SHRI ARANGIL SHREEDHARAN: It is Rs. 2,126 lakhs.

SHRI SONTOSH MOHAN DEV: The question regarding quality control has not been answered. Even then I would like to know what is the domestic price of Basmati as against the export price? If domestic price is placed at a higher level, then there will be no tendency for giving it outside at a lesser price.

As far as I know, there is a vast difference between the export price and the domestic price. In view of this, will the Minister tell us, what is the present export rate, what is the present domestic rate and whether it is desirable to deprive the growers by selling it at a higher rate in the domestic market or the STC to subsidise the price and selling it at a loss to outside and thereby earning foreign exchange?

SHRI ARANGIL SHREEDHARAN: The domestic price is somewhere near Rs. 20 or Rs. 24 per kilo. The export price is Rs. 9500 per tonne. Our export policy is to earn more foreign exchange. In doing so, sometimes, we have to export commodities which are produced in this country at a lower price to other countries.

SHRI SONTOSH MOHAN DEV: What is STC subsidising? Between the market price at which you are purchasing, and the price for which you are selling—how are you countering the loss involved? Is STC subsidising it?

SHRI ARANGIL SHREEDHARAN: It is subsidized.

MR. SPEAKER: Now next question 881—Shri Ram Bahadur Singh and Shri Samarendra Kundu are not present. Ques-

tion 882 Shri Madhav Rao Scindia and Shri Sarju Prasad Saroj—also absent; Question 883 Shri B Rajaravi Varma—not present, and Question 884 Dr Laxminarayan Pandey is also not present.

Now question 885—Mr Mullappally Ramachandran.

NRI Investments In States

*885. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether the State of Karnataka has reported offers of Non-Resident Indian loans to the State Government this year;

(b) if so, the details thereof and the response of Union Government thereto;

(c) the top three States which have the highest NRI investments; and

(d) the incentives offered by Union Government for encouraging NRI investments and deposits?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). Information is being collected and would be laid on the Table of the House.

(c) Statewise figures of NRI are not available.

(d) NRIs have been extended various investment facilities such as direct investment in industrial projects, investment in Indian companies in the form of share capital, debenture or deposits, investment in Government securities, Units of UTI and Bank accounts, etc. They are also allowed various tax incentives.

SHRI MULLAPPALLY RAMACHANDRAN: The NRIs are a good source of foreign exchange for our country. But, unfortunately at present, this foreign exchange is not being properly utilized for constructive development of our country. NRIs mostly

deposit their moines straightaway in banks which fetches them a high rate of interest. Under these circumstances, may I know from the hon. Minister whether this Government will offer safer and more attractive alternatives to NRIs to invest their money, so as to generate more employment opportunities in this country? If so, what are the alternatives?

PROF. MADHU DANDAVATE: It is not correct to say that adequate opportunities are not available to NRIs. I will only mention the various schemes under which all available opportunities are there. One: Investment on non-repatriation basis. Two: Investment on repatriation basis. Then there are further industrial manufacturing activities. For instance, NRIs and OCBs can make investment in new issues of equity shares/convertible debentures of any new or existing company, and they will be getting the necessary concessions. And the fields are: industrial manufacturing activities; hospitals, hotels with 3,4 or 5-star rating; hospitals and advance diagnostic centres; shipping; development of computer software and oil exploration services.

Then there are investments under 74% scheme and under the 100% scheme. There are also the sick industrial units, portfolio investment in shares and debentures, as also deposits in bank accounts, non-resident (external) rupee account, and also foreign currency non-resident account. All these schemes are available; and I am glad to say that we are getting considerable responses, and the NRI deposits are constantly increasing.

SHRI MULLAPPALLY RAMACHANDRAN: Kerala has drawn up a scheme to create a Fund in which 40% of the subscriptions will be earmarked for the non-resident Indians, and the investors will be given guarantee by the State. Under these circumstances, may I know from the hon. Minister whether this Government will also set up such an arrangement at the Central level, and also an NRI investment guarantee scheme at the national level?

PROF. MADHU DANDAVATE: We are also thinking of extending that. Incidentally, in continuation of the earlier question that you had asked, I have got the list of all the investments that we have got: Direct investment repatriation basis (proposal approved) for the 40% scheme and the 74% scheme upto 31st January 1990—Rs. 1361 crores and Rs. 89 respectively. Direct Investment on Non-repatriation basis Rs. 299 crores; Portfolio Investment—under repatriation Rs. 73 crores, and without repatriation Rs. 2.63 crores; Deposits in Indian companies Rs. 27 crores, and Bank deposits Rs. 17193 crores. As a result, by January 1990 we are able to get from NRI Rs. 19047.01 crores.

We assure you that, with the suggestion that we have made, with the extension of the policy and the scheme, we will be able to improve the deposits still further.

SHRI VAMANRAO MAHADIK: The NIRs Association has seen the Finance Minister and they have given him an offer to invest immediately Rs. 34,000/-crores in India provided they get the permission to come to India without having the visa system. Has the Government thought over it?

PROF. MADHU DANDAVATE: I don't think for any section of the population the visa arrangement can be liberalised at all. We will only ensure that there is no harassment and delay. But we will ask even NRIs to see that, when they want to come to India, the usual formality will have to be completed. We will only ensure that there is no harassment and delay. There should be no difficulty in case they want to have the deposits mobilisation in our country.

SHRI S. KRISHNA KUMAR: What is the percentage of investment which NRIs represent at present in the total investment for the development of our country including the public and private sector as envisaged in the Plan? What are the programmes of the Government to increase the component of this investment, the percentage of this investment? What are, according to the Government bottlenecks, the negative factors,

which inhibit investment by NRIs in India? Will the Government consider favourably some sort of a mutual funds system in the private sector where private sector promoters can tie-up with NRI investors so that NRI fund is available for specific projects in the country as well as for the promotion of investment in the whole country?

PROF. MADHU DANDAVATE: On the spot, it is very difficult for me to calculate the percentage. I have given the total investment, the total accruals as Rs. 19,047.01 crores. If I were to give the percentage, I will have to sit down for some time and calculate it. But that is upto 31.1.1990; that is the latest accumulation. Your next question is: are we trying to make some arrangement or concession by which there will be more incentives for NRIs to invest in the country? I think there are lot of schemes which I have indicated to you. Those who are willing to have the deposits mobilisation in the country for them I think there are 15-20 schemes. I do not want to take more time of the House. I have mentioned nine schemes just now. Under them all types of concessions are there; there will be concession on income tax, concession on wealth concession on duty; all possible concessions will be available.

SHRI S. KRISHNA KUMAR: Are they adequate?

PROF. MADHU DANDAVATE: They do not feel whether they are adequate or not; they only feel that they should be implemented effectively. Your next question is: along with the projection of the public sector, even in the private sector they want to undertake certain projects. Will they be allowed to deposit? As far as deposits in this country are concerned, we will not distinguish between the private sector and the public sector. But, of course, in the wider interest of the people, if our advice is sought, we will always like them to actually put their deposits in both projects which are of public utility and are in the public sector. But if they want actually to invest in the private sector, we have no opposition to that.

[*Translation*]

SHRI RATILAL KALIDAS VARMA: Mr. Speaker, Sir, a few days ago the hon. Chief Minister of Gujarat, Shri Chimanbhai Patel accompanied by Shri Deshubhai Patel, had gone abroad to meet the Gujarat is living in foreign countries and persuade them to invest their capital in India, especially in various industries in Gujarat. But the NRIs complained that the N.R.Is coming to invest in Gujarat experience many problems in regard to obtaining licences sales tax, income tax and other matters. As such they are not very eager to invest in India. May I know whether any special concessions will be extended to NRIs coming to invest in India?

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, I was also in New York during the period the hon. Chief Minister of Gujarat was there and we held elaborate discussions on the whole scheme. The NRIs from Gujarat promised that they were prepared to provide deposits for various schemes. Facilities which are generally available to others, will also be made available to them. But one thing I would like to tell the House that it will be far better if different States established direct links with the NRIs of their respective States and made efforts to attract capital for themselves, but at the same that they should ensure co-ordination with the Centre so that the priorities fixed by the Centre are not disturbed and money is not invested in non-priority sectors. It will, therefore, be in the fitness of things if the Chief Minister established co-ordination with the Centre before seeking assistance from the NRIs. This will help them utilise the NRI funds without disturbing the priorities fixed by the Centre.

SHRI RAJENDRA AGNIHOTRI: Will the hon. Minister be pleased to state the special concessions to be given by the Government in the matter of issuing licences or other such matters to NRIs who wish to invest their capital in the country no matter whether it is in Gujarat, Madhya Pradesh, Uttar Pradesh or in backward areas so that they are en-

couraged to offer their capital for the progress of the country?

PROF. MADHU DANDAVATE: As I have already said, they will be given special facilities and special concessions in various taxes—whether it is wealth tax, income tax or in any other area. It will be ensured that they experience no difficulties and they face no problems in obtaining licences because our objective is that large scale NRI deposits should enter our country which could help in country's development.

[English]

SHRI M.V. CHANDRASHEKARA MURTHY: Mr. Speaker, Sir, I want to know from the hon. Minister whether NRI investments are allowed in the field of real estate and if it is so whether the Finance Ministry is aware of the recent deals in Karnataka by NRI investments in the real estate field, and whether any investigations are being conducted into those transactions. I want a categorical reply.

PROF. MADHU DANDAVATE: My categorical reply to this is, when this complaint was brought to our notice, a commission called the Kukdip Singh Commission, has been appointed and already investigations are being made and we are looking into it. I can assure the House that not only in Karnataka but in any part of the country is any complaint is brought to our notice, we will make the necessary investigations and whatever irregularities are brought to our notice we will take necessary action.

SHRI M.V. CHANDRASHEKHARA MURTHY: Mr. Speaker, Sir, I seek your protection. I have put a question whether NRI investments in the field of real estate are permitted. I want a reply, 'yes' or 'No' to my question.

PROF. MADHU DANDAVATE: As far as NRI investments are concerned, in various fields they are permissible but they are to be invested in terms of the law of the land

and no violation of the law of the land will be permitted.

SHRI K.S. RAO: The problem with our Governments is not in making the scheme or policy or of bringing a bill in Parliament. The problem is mainly in regard to implementation of the scheme with the real spirit in which the scheme or policy is framed.

The hon. Minister was telling that the potential of the investments of the NRI is about as much as 19000 crores of rupees. It can be even one lakh crores of rupees if only effective implementation is made. Keeping in view of the red-tapism, indifferent attitude, and delays in various matters pertaining to the NRIs, several NRIs have come here and then gone back with disappointment. So, I wish to know from the hon. Minister whether he will think in terms of proposing a separate Department consisting of officials from the Ministries of Finance, Commerce, Industry and the connected Ministries; also committed officials who are prepared to deal with the matter unconnected with any other Ministry direct through a single window.

PROF. MADHU DANDAVATE: Sir, a separate Department is not necessary. But I can assure the Member that whatever steps have been devised through the concerned Department which deal with it, are effectively implemented. (*Interruptions*)

SHRI K. S. RAO: It is not done.

PROF. MADHU DANDAVATE: That is right. I would like to point out to him that for individual investors, the exemption offered to the NRIs are: total exemption from income-tax of interest income from NRIs as initial account. (*Interruptions*)

SHRI K. S. RAO: I am not asking about the exemptions. I am only asking him to make it as a single window so that there will not be any delay and everything can be dealt with effectively.. (*Interruptions*)

PROF. MADHU DANDAVATE: We might not be having a Department. But in the

Finance Ministry, we will examine your suggestion to have a single window arrangement by which all the facilities will be available at one point so that we can effectively implement all the reforms that we have already made.

SHRI RAMESH CHENNITHALA: I want to know whether Government is aware of the difficulties of the NRIs investors. What are the steps taken by the Government for increasing the investment of the NRI investors?

PROF. MADHU DANDAVATE: Sir, just now as the hon. Member has pointed out, there is no difficulty about the concessions being available. It is only the method of implementation. That is to be improved. But I may also inform the House that just as we are desirous of having more and more NRI investment, we are also conscious of the fact that all these advantages that are being offered to the NRIs are likely to be taken undue advantage. For instance, it is possible that since NRIs with all these concessions and exemptions are allowed to invest in the country, some times it may happen that black money from this country will be laundered to the foreign country and that money may come back as their white money into this country. So, NRI deposits should not become an additional device to convert black money into white money. That precaution also we have to take. And we assure you that we will take that precaution.

[*Translation*]

SHRI RAMASHRAY PRASAD SINGH: Mr. Speaker, Sir, I would like to tell the hon. Minister that the previous Government of Bihar had convened a meeting of the industrialists to explore the avenues of investment, but the industrialists did not set up industries due to power shortage in the State. Does the hon. Minister propose to remove the power shortage and set up any industry in Bihar?

PROF. MADHU DANDAVATE: The information referred to by the hon. Member

is not available with us. If he could furnish details we will certainly necessary action.

SHRI SATYNARAYAN JATIYA: Mr. Speaker, Sir, I would like to know the present position of investment being made by the NRIs who, having been encouraged by various incentives being extended to them by the Government are making investment in our country. If the position is not happy, what are their expectations? It will be convenient for us if the NRIs are given various facilities in terms of their expectations.

PROF. MADHU DANDAVATE: If we go on asking the NRIs as to what more facilities they would require, their expectations will go on increasing. I know that many people have complained that people, who pay their taxes dutifully, are not given any concessions, but people who bring more money from foreign countries are being given more concessions in our country. I would, therefore, like to say that they should not expect any more concessions, than the concessions already available. We are getting lot of NRI deposits on the basis of concessions we have already made available to them.

MR. SPEAKER: Next question. Shri L.K. Advani, Shri Shanker Singh Vaghela.

(*Interruptions*)

SHRI JANARADAN TIWARI: Sir, it is a very important question... (*Interruptions*)

SHRI GUMAN MAL LODHA: It is a very important question.

MR. SPEAKER: The Member's whose name the question, stands is not present. Mr. Lodha, do you know.....

(*Interruptions*)

MR. SPEAKER: Mr. Joshi, please sit down. Mr. Lodha, please sit down. What can be done? I know and I am not against it.

SHRI GUMAN MAL LODHA: While

drawing your attention Rule 48 (3) I would like to submit that....

MR. SPEAKER: I think that this point of not taking up the question, when the Member, in whose name the question stands is not present was raised earlier also. It is possible that there may be a demand not to us that power.

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, Prof. Ranga and myself had raised this matter in the House and you may verify it from your office. If the Member in whose name the question stands is not present and if you think that the question is an important one, you have the power to permit another Member to put that question. I myself had raised this matter and the ruling was given in my favour.

PROF. RAMGANESH KAPSE: We are ready to ask the question.

MR. SPEAKER: You may please sit down. After hearing the submission of Prof. Madhu Dandavate I would straight away ask the Minister to give reply to the question as provided in the rule and then I would allow the Members to ask supplementaries. Prof. Madhu Dandavate.

[English]

SHRI JANARDHANA POOJARY: I am on a point of order.

[Translation]

MR. SPEAKER: What is your point of order? I have taken it up on your request. There is no point of order.

[English]

SHRI JANARDHANA POOJARY: So far the Chair has not been allowing this. But since this has been allowed, you also must allow us the same thing.

MR. SPEAKER: Entire House. It will also be done in your case whenever you

want. You are also an hon. Member of this House. For the benefit of the hon. Members I may read out the relevant clause: Rule 48(3) says:

"If on a question being called it is not asked as the member in whose name it stands is absent, the Speaker may, at the request of any member, direct that the answer to it be given."

So the answer is being given by Shri Madhu Dandavate.

[Translation]

PROF. MADHU DANDAVATE: Sir, for your information I would like to say that I had raised a point of order in the previous Lok Sabha and Shri Jakhar had given the ruling in my favour. He had given the same ruling which you have given today. I welcome it.

[English]

Funds for Development

*887. @SHRI L.K. ADVANI:
@SHRI SHANKERSINH
VAGHELA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a suggestion that Rs. 815 crores be provided for the 543 Parliamentary constituencies, wherein money be spent by the concerned Government agencies but the projects would be as per the suggestion of the local M.P., in the fields of agriculture, rural sanitation, seed processing and storage facilities, control of desertification, dry land farming, afforestation, slum improvement, drinking water supply, health clinics etc.;

(b) If so, the reaction of Government thereon; and

(c) the outline of the follow up action?

@The hon. Members were not present in House, but under Rule 48(3) hon. Speaker acceded to the request of some other hon. Members and permitted the question to be answered.